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DEPARTMENT OF COMMERCE

International Trade Administration

[C-570-019]

Boltless Steel Shelving Units Prepackaged for Sale from the People's Republic of China: Final Affirmative Countervailing Duty Determination

AGENCY: Enforcement and Compliance, International Trade Administration, Department of Commerce.

SUMMARY: The Department of Commerce ("Department") published the *Preliminary Determination* of the countervailing duty ("CVD") investigation of boltless steel shelving units prepackaged for sale ("boltless steel shelves") from the People's Republic of China ("PRC") on January 30, 2015.¹ The Department determines that countervailable subsidies are being provided to producers and exporters of boltless steel shelves from the PRC. For information on the estimated subsidy rates, *see* the "Final Determination" section of this notice. The period of investigation is January 1, 2013 through December 31, 2013.

DATES: Effective Date: [Insert date of publication in the *Federal Register*].

FOR FURTHER INFORMATION CONTACT: Susan Pulongbarit (Topsun) or Paul Walker (ETDZ), AD/CVD Operations, Office V, Enforcement and Compliance, International Trade Administration, U.S. Department of Commerce, 14th Street and Constitution Avenue, NW, Washington, DC 20230; telephone 202.482.4031, or 202.482.0413, respectively.

¹ See *Boltless Steel Shelving Units Prepackaged for Sale from the People's Republic of China: Preliminary Determination and Alignment of Final Determination with Final Antidumping Duty Determination*, 80 FR 5089 (January 30, 2015) ("*Preliminary Determination*").

SUPPLEMENTARY INFORMATION:

Background

On January 30, 2015, the Department published the *Preliminary Determination*.² Between May 6 and June 6, 2015, we conducted verifications of the questionnaire responses of Nanjing ETDZ Huixing Trade Co., Ltd. (“ETDZ”), Nanjing Topsun Racking Manufacturing Co., Ltd. (“Topsun”), and a customer.³ On May 21, 2015, the Department issued the Post-preliminary Determination.⁴ Between June 24 and June 29, 2015, interested parties submitted case and rebuttal briefs. A full discussion of the issues raised by parties for this final determination may be found in the I&D Memo, which is hereby adopted by this notice.⁵ The I&D Memo is a public document and is on file electronically via Enforcement and Compliance’s Antidumping and Countervailing Duty Centralized Electronic Service System (“ACCESS”). ACCESS is available to registered users at <http://access.trade.gov>, and is available to all parties in the Central Records Unit, room B8024 of the main Department of Commerce building. In addition, a complete version of the I&D Memo can be accessed directly at

² See *Countervailing Duty Investigation of Boltless Steel Shelving Units Prepackaged for Sale from the People’s Republic of China: Preliminary Determination and Alignment of Final Determination with Final Antidumping Duty Determination*, 80 FR 5089 (January 30, 2015) (“*Preliminary Determination*”) and accompanying Preliminary Decision Memorandum (“PDM”).

³ See Memorandum to Scot T. Fullerton, Program Manager, from Susan S. Pulongbarit, Senior International Trade Analyst, “Countervailing Duty Investigation: Boltless Steel Shelving Units Prepackaged for Sale from the People’s Republic of China: Verification Report: Nanjing Topsun Racking Manufacturing Co., Ltd. (“Topsun”) and Nanjing Great Wall Co., Ltd. (“Great Wall”),” dated June 16, 2015; Memorandum to Scot T. Fullerton, Program Manager, from Paul Walker, Case Analyst, “Countervailing Duty Investigation of Boltless Steel Shelving Units Prepackaged for Sale from the People’s Republic of China: Verification Report for Ningbo ETDZ Huixing Trade Co., Ltd.,” dated June 16, 2015; and Memorandum to Paul Walker, Acting Program Manager, from Susan Pulongbarit, Case Analyst, “Countervailing Duty Investigation of Boltless Steel Shelving Units Prepackaged for Sale from the People’s Republic of China: Verification Report,” dated June 17, 2015.

⁴ See Memorandum to Paul Piquado, Assistant Secretary, Enforcement and Compliance, from Christian Marsh, Deputy Assistant Secretary, for Antidumping and Countervailing Duty Operations, “Countervailing Duty Investigation of Boltless Steel Shelving Units Prepackaged for Sale from the People’s Republic of China: Post-Preliminary Determination Decision Memorandum,” dated May 29, 2015 (“Post-preliminary Determination”).

⁵ See Memorandum to Ronald K. Lorentzen, Acting Assistant Secretary, Enforcement and Compliance, from Christian Marsh, Deputy Assistant Secretary, for Antidumping and Countervailing Duty Operations, “Countervailing Duty Investigation of Boltless Steel Shelving Units Prepackaged for Sale from the People’s Republic of China: Issues and Decision Memorandum for the Final Determination,” dated concurrently with this notice (“I&D Memo”).

<http://enforcement.trade.gov/frn/index.html>. The signed I&D Memo and the electronic versions are identical in content.

Scope of the Investigation and Scope Comments

The scope of this investigation covers boltless steel shelving units prepackaged for sale, with or without decks (“boltless steel shelving”). The term “prepackaged for sale” means that, at a minimum, the steel vertical supports (*i.e.*, uprights and posts) and steel horizontal supports (*i.e.*, beams, braces) necessary to assemble a completed shelving unit (with or without decks) are packaged together for ultimate purchase by the end-user. The scope also includes add-on kits. Add-on kits include, but are not limited to, kits that allow the end-user to add an extension shelving unit onto an existing boltless steel shelving unit such that the extension and the original unit will share common frame elements (*e.g.*, two posts). The term “boltless” refers to steel shelving in which the vertical and horizontal supports forming the frame are assembled primarily without the use of nuts and bolts, or screws. The vertical and horizontal support members for boltless steel shelving are assembled by methods such as, but not limited to, fitting a rivet, punched or cut tab, or other similar connector on one support into a hole, slot or similar receptacle on another support. The supports lock together to form the frame for the shelving unit, and provide the structural integrity of the shelving unit separate from the inclusion of any decking. The incidental use of nuts and bolts, or screws to add accessories, wall anchors, tie-bars or shelf supports does not remove the product from scope. Boltless steel shelving units may also come packaged as partially assembled, such as when two upright supports are welded together with front-to-back supports, or are otherwise connected, to form an end unit for the frame. The boltless steel shelving covered by this investigation may be commonly described as rivet shelving, welded frame shelving, slot and tab shelving, and punched rivet (quasi-rivet) shelving

as well as by other trade names. The term “deck” refers to the shelf that sits on or fits into the horizontal supports (beams or braces) to provide the horizontal storage surface of the shelving unit.

The scope includes all boltless steel shelving meeting the description above, regardless of (1) vertical support or post type (including but not limited to open post, closed post and tubing); (2) horizontal support or beam/brace profile (including but not limited to Z-beam, C-beam, L-beam, step beam and cargo rack); (3) number of supports; (4) surface coating (including but not limited to paint, epoxy, powder coating, zinc and other metallic coating); (5) number of levels; (6) weight capacity; (7) shape (including but not limited to rectangular, square, and corner units); (8) decking material (including but not limited to wire decking, particle board, laminated board or no deck at all); or (9) the boltless method by which vertical and horizontal supports connect (including but not limited to keyhole and rivet, slot and tab, welded frame, punched rivet and clip).

Specifically excluded from the scope are:

- wall-mounted shelving, defined as shelving that is hung on the wall and does not stand on, or transfer load to, the floor;⁶
- wire shelving units, which consist of shelves made from wire that incorporates both a wire deck and wire horizontal supports (taking the place of the horizontal beams and braces) into a single piece with tubular collars that slide over the posts and onto plastic sleeves snapped on the posts to create the finished shelving unit;
- bulk-packed parts or components of boltless steel shelving units; and
- made-to-order shelving systems.

⁶ The addition of a wall bracket or other device to attach otherwise freestanding subject merchandise to a wall does not meet the terms of this exclusion.

Subject boltless steel shelving enters the United States through Harmonized Tariff Schedule of the United States (“HTSUS”) statistical subheadings 9403.20.0018, 9403.20.0020, 9403.20.0025, and 9403.20.0026, but may also enter through HTSUS 9403.10.0040. While HTSUS subheadings are provided for convenience and Customs purposes, the written description of the scope of this investigation is dispositive.

The Department received comments regarding the scope of this investigation from numerous interested parties, which we have summarized and addressed in the accompanying I&D Memo.⁷

Analysis of Subsidy Programs and Comments Received

The subsidy programs under investigation and the issues raised in the case and rebuttal briefs by parties in this investigation are discussed in the I&D Memo. A list of the issues that parties raised, and to which we responded in the I&D Memo, is attached to this notice as an Appendix.

Use of Adverse Facts Available

For purposes of this final determination, we relied on facts available, and have drawn an adverse inference, in accordance with sections 776(a) and (b) of the Tariff Act of 1930, as amended (the “Act”), in determining the countervailability of the GOC’s provision of electricity for less than adequate remuneration (“LTAR”), the GOC’s provision of hot-rolled coiled steel for LTAR, and for certain companies which did not respond to the Department’s quantity and value questionnaire. The Department also relied on facts available in determining the countervailability of the following programs: Exhibition Subsidy, Foreign Trade Bureau Award, Export Credit Insurance and Export Subsidy for High-tech Merchandise, and the Innovative

⁷ See I&D Memo at Comments XIII.

Growth Subsidy. The Department notes that because one or more respondents did not act to the best of their ability to respond to the Department’s requests for information, we drew an adverse inference where appropriate in selecting from among the facts otherwise available.⁸ For further information, *see* “Use of Facts Otherwise Available and Adverse Inferences” in the I&D Memo.

Changes Since the Preliminary Determination

Based on our review and analysis of the comments received from parties, and minor corrections presented at verification, we made certain changes to the subsidy rate calculations since the *Preliminary Determination*. For a discussion of these changes, *see* the I&D Memo.

Final Determination

In accordance with section 705(c)(1)(B)(i) of the Act, we calculated an estimated individual countervailable subsidy rate for each producer/exporter of the subject merchandise individually investigated.⁹ We determine the total estimated net countervailable subsidy rates to be:

Company	Subsidy Rate (Percent)
Ningbo ETDZ Huixing Trade Co., Ltd.	12.40
Nanjing Topsun Racking Manufacturing Co., Ltd.	15.05
All Others	13.73
Dalian Huameilong Metal Products Co., Ltd.*	80.45
Dongguan Yuan Er Sheng Machinery Source Hardware Co., Ltd.*	80.45
Dong Rong Metal Products Co., Ltd.*	80.45

⁸ *See* sections 776(a) and (b) of the Act.

⁹ Section 705(c)(5)(A)(i) of the Act states that, for companies not individually investigated, we will determine an “all others” rate equal to the weighted-average countervailable subsidy rates established for exporters and producers individually investigated, excluding any zero and *de minimis* countervailable subsidy rates, and any rates determined entirely under section 776 of the Act. Notwithstanding the language of section 705(c)(5)(A)(i) of the Act, we have not calculated the “all others” rate by weight averaging the rates of ETDZ and Topsun because doing so risks disclosure of proprietary information. Therefore, we calculated a simple average of ETDZ’s and Topsun’s rates.

Global Storage Equipment Manufacturer Limited*	80.45
Intradin (Shanghai) Import & Export Co., Ltd.*	80.45
Jinhua Development District Hongfa Tool, Ltd.*	80.45
Kunshan Jisheng Metal & Plastic Co., Ltd.*	80.45
Nanjing Huade Warehousing Equipment Manufacturing Co. Ltd.*	80.45
Nanjing Whitney Metal Products Co., Ltd.*	80.45
Nanjing Yodoly Logistics Equipments Manufacturing Co., Ltd.*	80.45
Ningbo Decko Metal Products Trade Co., Ltd.*	80.45
Ningbo Haifa Metal Works Co., Ltd.*	80.45
Ningbo HaiFa Office Equipment Co., Ltd.*	80.45
Ningbo TLT Metal Products Co., Ltd.*	80.45

* Non-cooperative company to which an adverse facts available rate is being applied. See “Use of Facts Otherwise Available and Adverse Inferences” section in the I&D Memo.

Disclosure

We intend to disclose to parties the calculations performed in this proceeding within five days of the public announcement of this notice in accordance with 19 CFR 351.224(b).

Continuation of Suspension of Liquidation

As a result of our *Preliminary Determination* and pursuant to section 703(d) of the Act, we instructed U.S. Customs and Border Protection (“CBP”) to suspend liquidation of all entries of subject merchandise from the PRC that were entered, or withdrawn from warehouse, for consumption on or after January 30, 2015, the date of the publication of the *Preliminary Determination* in the *Federal Register*. In accordance with section 703(d) of the Act, we issued instructions to CBP to discontinue the suspension of liquidation for CVD purposes for subject merchandise entered, or withdrawn from warehouse, on or after May 30, 2015, but to continue the suspension of liquidation of all entries from January 30, 2015, through May 29, 2015.

If the International Trade Commission (“ITC”) issues a final affirmative injury determination, we will issue a CVD order and reinstate the suspension of liquidation under section 706(a) of the Act, and we will require a cash deposit of estimated CVDs for such entries of merchandise in the amounts indicated above. If the ITC determines that material injury, or threat of material injury, does not exist, this proceeding will be terminated and all estimated duties deposited or securities posted as a result of the suspension of liquidation will be refunded or canceled.

ITC Notification

In accordance with section 705(d) of the Act, we will notify the ITC of our determination. In addition, we are making available to the ITC all non-privileged and non-proprietary information related to this investigation. We will allow the ITC access to all privileged and business proprietary information in our files, provided the ITC confirms that it will not disclose such information, either publicly or under an administrative protective order (“APO”), without the written consent of the Assistant Secretary for Enforcement and Compliance.

Return or Destruction of Proprietary Information

In the event that the ITC issues a final negative injury determination, this notice will serve as the only reminder to parties subject to an APO of their responsibility concerning the destruction of proprietary information disclosed under APO in accordance with 19 CFR 351.305(a)(3). Timely written notification of the return/destruction of APO materials or conversion to judicial protective order is hereby requested. Failure to comply with the regulations and terms of an APO is a violation which is subject to sanction.

This determination is issued and published pursuant to sections 705(d) and 777(i) of the Act.

Dated: August 14, 2015.

Ronald K. Lorentzen,
Acting Assistant Secretary
for Enforcement and Compliance.

Appendix – List of Topics Discussed in the I&D Memo

Comment I:	Whether State Ownership Makes an Entity a Government Authority
Comment II:	Whether Chinese Communist Party (“CCP”) Affiliations/Activities by Company Officials Make the Company a Government Authority
Comment III:	Whether the GOC Responded to the Best of its Ability Regarding Ownership and CCP Affiliation for HRCS Suppliers and Provided Sufficient Evidence to Find that Some Producers Were not Government Authorities
Comment IV:	Whether the Provision of HRCS Is Specific
Comment V:	Use of a Tier-One Price for the Provision of HRCS
Comment VI:	Cold-Rolled for LTAR
Comment VII:	Whether to Adjust the HRCS Benchmark Values
Comment VIII:	Whether the Provision of Electricity is Countervailable
Comment IX:	Topsun’s Denominator
Comment X:	Export Seller’s Credits and Export Buyer’s Credits from China ExIm
Comment XI:	Two Free Three Half Program
Comment XII:	Other Programs
Comment XIII:	Whether Whirlpool’s Products are Within the Scope

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